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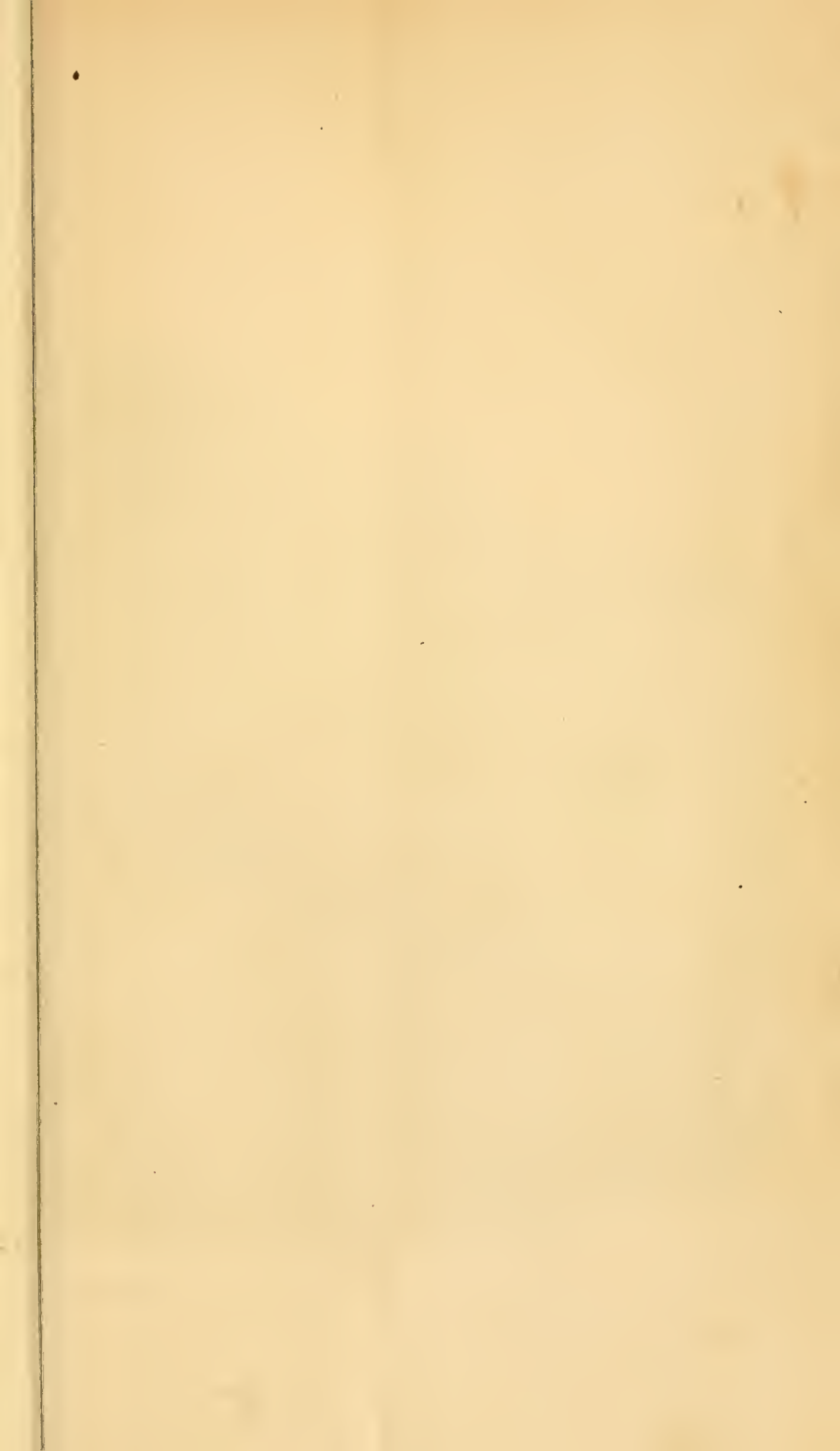
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NEW DEPOT AND FERRY HOUSES OF THE N. J. RAILROAD COMPANY AT JERSEY CITY. (PAGE 8.)

REPORT

OF

THE DIRECTORS

OF THE

NEW JERSEY RAILROAD & TRANS. CO.

TO THE

STOCKHOLDERS.

BY JOHN P. JACKSON,

Vice-President and General Superintendent.

With the Proceedings of the Annual Meeting, June 4, 1857.



NEWARK, N. J.:

PRINTED AT THE DAILY ADVERTISER OFFICE.

1857.

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REPORT.

A quarter of a century has elapsed since the organization of the New Jersey Railroad and Transportation Company. Commencing with the earliest railroads in this country, it has passed through a portion of our history most remarkable for the progress of improvement, the triumphs of inventive genius, and the expansion of wealth and population.

What a striking contrast is exhibited in the condition of the world at the present time, with that of the year one thousand eight hundred and thirty-two, in all the aspects of moral and material greatness! Through what alternations, from deep depressions to almost giddy elevations, have our monetary affairs been subject!—resulting, we trust, though often through severe discipline, in true advancement, and in the permanent welfare of mankind. In this onward movement our institution has participated with the people in the variations of commerce and trade; sympathized with them in their business and social intercourse; and now necessarily constitutes an established element of usefulness to the community. How it has performed its part in the machinery which has impelled onward the capital and labor of the country, let a reference to cotemporaneous events illustrate, confirmed by the narratives of the original proprietors and early managers, some of whom are with us to-day, who have witnessed the progressive operations of our work, and its reflex influence on the community.

CAUSE OF CONGRATULATION.

Proceeding then with their business Report, the Directors congratulate the Stockholders on the favorable auspices under which we have assembled at this Twenty-fifth Annual Meeting.

It will not be deemed inappropriate, first, gratefully to recognize the continued preservation from casualties to passengers which our Company has enjoyed during the last year, adding nearly three millions to the number before transported, with like safety, and making an aggregate approaching to twenty-five millions of persons, or an average of nearly one million a year, during the Company's existence, who have been transported without injury to life or limb while in the cars. While commending, with marked approbation, the unwearied devotion and vigilance of the agents and operatives of the Road, we should mingle our devout gratitude to a superintending Providence for the signal protection we have enjoyed.

FINANCIAL RESULTS.

The gross receipts of the last year were \$910,637 61, and the expenses \$400,715 89, or a ratio of forty-four per cent., against \$861,514 36 for receipts, and \$360,766 77 for expenses, for the year 1855, and a ratio of forty-four and a half per cent. ;—the ratio of expenses of 1854 being forty-seven per cent. The surplus earnings carried to profit and loss, January 1st, 1857, after payment of two semi-annual dividends of five per cent. each, is \$85,257 84, while for the year previous it was \$78,480 90. The amount of the surplus fund, after deducting \$11,200 for relaying portions of the Road with new rails last year, is \$196,596 30.

The whole number of paying passengers transported last year, not including commuters, is 2,278,913 1-2; the tons of merchandize 68,688, against 2,164,471 passengers and 64,049 tons in 1855. The miles run by the trains last year are 407,632, and the ratio of running expenses ninety-eight and a half cents a mile.

The tax and transit duties paid the State for the year 1856 amount to \$33,558 88, being an increase on last year; besides which, the State has received dividends amounting to \$1,745, or ten per cent. on the stock of this Company taken in payment of the State's Newark Turnpike Stock, and constituting a part of the School Fund.

For further particulars of the operations of the Company during the past year, reference is made to the Annual Statement of the Company to the Secretary of State of New Jersey, in January last, verified according to law, which also exhibits the Capital Stock and Funded Debt, the cost of Railroad and equipments, and property of the Company, which statement is hereunto appended as part of this Report, (Appendix A.)

The Treasurer's return for the first four months of 1857, hereto annexed, (Appendix B) exhibits in comparison with the same period last year an aggregate increase of \$11,336 25, nearly one-half of which is from the Philadelphia lines. The receipts for the four months of 1857 are \$238,525 41, against \$227,189 16 for the like period in 1856.

Notwithstanding the very inclement winter and untoward spring, causing unusual outlays in maintaining the motive power and the operating condition of the Road, the current expenses of the present year are thus far slightly less than those of the preceding.

The Annual Statement of the Millstone and New Brunswick Railroad for the year 1856 is hereto appended and marked (Appendix C.)

COST OF FUEL PER MILE—COAL AND WOOD.

Among the various efforts to introduce economy in the operations of the Company, the subject of fuel has engaged considerable attention. One of

the most approved coal-burning engines, of Boardman's patent boiler, built by Wm. Mason & Co., of Taunton, Massachusetts, called "Phoenix No. 24," was placed on our Road last summer, and about the same time a first-class and superior locomotive, constructed for burning wood with economy, by Rodger's, Ketchum & Grosvenor, of Paterson, New Jersey, named "Gov. Pennington No. 25," was also purchased, and the two engines have run the Philadelphia Express and Mail Trains in fair competition, with a view to ascertain with exactness the relative cost per mile of coal and wood as a fuel. The performance of each engine has proved quite satisfactory, and the result exhibits the comparative cost of coal and wood, (estimating the former at \$6 per ton and the latter at \$6 per cord) to be 10 64-100 cents per mile for coal and 15 14-100 cents per mile for wood, being an increased expense of fifty per cent. for wood over coal. This is shown more in detail as follows :

Fuel—COAL.	Miles run by Engine	Pounds of Coal used.	Pounds per mile run.	Cost in cents per mile.	Cost in cents per mile, including wood for Kindlings. (Kindlings actually cost 96-100 cents per mile, say 1 cent.)
1st Test,	3.668	123.442	33 65-100	9 01-100	10 01-100
2d do.	2.030	70.510	34 73-100	9 30-100	10 30-100
3d do.	5.698	193.952	34 04-100	9 11-100	10 11-100
4th do.	4.662	190.183	40 79-100	10 92-100	11 92-100
Total 	16.058	578.087	36	9 64-100	10 64-100

Fuel—Wood.	Miles run.	Cords of Wood.	Miles run to 1 cord.	Cost per mile.
1st Test,	2.025	50	40 50-100	14 81-100
2d do.	2.848	73	39 01-100	15 37-100
Total 	4.873	123	39 61-100	15 14-100

A communication on this subject, hereto annexed, (Appendix D) furnishes further particulars, and the result of the whole proves that with the high price and diminishing quantity of wood in this region, and the increasing supply and reduced cost of coal, the latter will at no distant day become the fuel most generally consumed.

From the foregoing experiments and a calculation made of the cost of fuel during the past year by all the trains, with the whole distance run, the conclusion attained is, that the average cost per mile run with wood is 18 2-10 cents, while if coal had been used it would not have exceeded 12 cents. The proportion, then, as the result of our experience will establish, one-third less cost for coal than wood, with an equally satisfactory performance of the engines, when coal burners shall have some present deficiencies removed.

The nature of the fuel consumed on our Road, whether for passenger or freight transportation, (though usually less for the former,) from the mode

of conducting our work, will not materially differ, and it is believed that at no distant day, by rigid economy and the advancing improvements of coal burning locomotives, the cost of coal per mile run will not exceed 10 cents, assuming the price per ton to be from \$5 to \$6. In the purchase and preparation of fuel, as indeed in all matters connected with the practical working of our Railroad, it is more advantageous to the Company, if faithfully done, to provide for itself, and to have the different departments for superintending labor and supplies under one administration, rather than divided with outside contractors.

WOODS' PATENT IMPROVED METHOD OF EXCLUDING DUST FROM CARS.

In this connection we would briefly refer to an improved mode of excluding dust from passenger cars, which has been partially applied and used on our Road, with satisfactory results.

It is an invention of Mr. Joseph Wood, one of our oldest and most skillful engine-drivers, and consists in attaching to each side of the platform or bottom of the car, with hinges, a slatted frame, the slats being in a vertical position and capable of being turned either to the right or left, according to the direction in which the car is going. The lower edges of the slatted frames extend downward nearly to the upper surface of the track and prevent the escape of dust from underneath the cars. The spaces between the cars are enclosed either by elastic curtains or otherwise, so that the dust cannot escape upwards between the cars. The current of air prevents the dust that may rise from passing out between the slats, and will also convey the dust that may rise on the outer sides of the cars or frames through the slats underneath the cars, thereby effectually preventing any dust from passing in the cars. It is the purpose of the Company to apply this invention more extensively to the trains, for in addition to its value as a dust excluder, it will serve to prevent persons from falling under the cars.

COST OF TRANSPORTING, LOADING AND UNLOADING FREIGHT;—EXPRESS BUSINESS.

From a careful comparison of the receipts for freight and the expenses of the same for the year 1856, including incidental expenses, damages and losses, wages of agents, conductors and laborers in loading, transporting and delivering, the cost of freight transportation is 56 per cent. on the amount received. The average receipts per ton per mile is nearly six cents, and the expenses, embracing all the above items, more than three cents per ton per mile.

The Express freight on our Road is yet inconsiderable, and with the activity of individual competition may still so continue; but as there are certain advantages in greater facilities and cheapness of transportation by Railroad over other routes, this description of business will doubtless, sooner or

later, mostly merge in Railroad transportation;—the old Express proprietors retaining their private interests, but finding it to their advantage to employ a cheaper and more expeditious transportation.

For these and other reasons, and chiefly in view of its fiduciary character and the minute and constant personal attention required, with its many ramifications, Express business can, as a general rule, and especially on shorter lines, be better managed by individual enterprise, than to be interwoven with the varied and complicated operations of a Railroad, which necessarily engrosses the time and close supervision of the executive officers and agents. Like the transportation and management of the mails, and the avocations appurtenant to each passenger, it would seem that its numerous and diversified cares can be better entrusted with and devolved on individuals than on a large corporation.

PROVISION FOR THE WEAR AND TEAR OF THE ROAD AND EQUIPMENTS.

The course of our Company has been to provide currently for all wear and tear, and to maintain our work and its equipments, from year to year, not only in as good condition, but with constant improvements and enlargements. This is rendered indispensable by the demands of the public for the extension of facilities, and the promptings of true economy and interest. Hence no other contingent fund is necessary than the reserved surplus earnings from year to year, and the investments in such auxiliary property as add greatly to the value of the Company's possessions. A basis of wealth, credit and protection is thus formed, which, while acting as a steady safeguard, can easily be made available for an extraordinary emergency.

EARLY PURCHASES OF REAL ESTATE.

With what has proved a wise forecast, a large quantity of real estate was purchased at various places on the line of the Road, to make ample provision for future business. These lands were secured either at the first location or before any material improvements were made enhancing their value, and now constitute an important part of the Company's property, being estimated to be worth, independent of the right of way, nearly as much as the original cost of the Road and its road bed.

This valuable real estate, capable of being appropriated for enlarging the operations of the Company, together with spacious sites for depots, freight, car and engine houses, lumber yards and lateral tracks, in the most central and compact parts of the cities and towns traversed by the Road, add greatly to the value of the Company's property, and their ability to serve more fully the travelling public. It is confidently believed that a line of Railroad, with the adjacent and collateral possessions and privileges of the New Jersey Railroad, and having equal advantages with it, in penetrating

the very heart of the populous places through which it passes, if attainable at all, could not now be secured for several times the amount of the cost of our Road and its appendages.

IMPROVEMENTS AT JERSEY CITY.

The extensive improvements projected at Jersey City are in the course of erection, progressing as rapidly as a proper regard to the solidity of the earth foundation (on which the massive and permanent structures are to be erected,) will justify. The design of the Company is to provide an avenue and accommodations for the Railroad and Ferry, commensurate with their large and increasing business, and unsurpassed in extent and convenience by other communications with the great commercial emporium, or indeed with any other large city. The long line of water front owned by the Company on both sides of the Hudson, embracing 2500 feet on the Jersey shore and about 300 feet at the foot of Cortlandt, Liberty and Cedar streets, with nearly 90 feet adjacent, occupied by the Company under a permanent lease from the city of New York, affords ample space for the most enlarged operations by Ferry and Railroad; and although a large portion of land at Jersey City is devoted to public use, the incidental influence of the active business and vast concourse of men and vehicles will enhance the value of the extensive property of the Company in the vicinity, which can even now be disposed of at prices far exceeding the original cost and improvements. In due time, the Depot buildings, which have already been pictorially displayed and much admired, and the various edifices and structures comprehended in the general plan will be completed, when we trust the public will appreciate these fixtures and appurtenances of the Railroad and Ferry, and the Stockholders be satisfied with the greatly augmented value of their wharves, piers and other adjacent property, if not with the compensation received from the public for the use of their capacious works and steamboats, though we trust these may yield a fair remuneration.

The main Depot building will be of brick, except about 180 feet, which is built over the water, and is of wood. The entire length will be 500 feet, by 103 feet wide; the height of the roof is 43 feet, exclusive of a cupola, which runs the entire length, and serves to admit light and ventilate the interior. The roof is formed of one entire arch, without any central support, and is made of corrugated galvanized iron, which forms a finish both outside and inside, without painting. The front of the Depot on Hudson street (shown in the engraving on the first page) will be 125 feet in width, two stories high, with handsome towers at the corners. The second story will be devoted to the offices of the President, Vice President and Directors, and of the Superintendent, Assistants, Freight Agent, and other officers and agents of the Company. The cars will run into the building on five differ-

ent tracks, and the boat will come a sufficient distance under the water front to shelter the passengers in passing from one to the other. On each side of the Depot are two slips, with handsome and commodious ferry houses, for the accommodation of ferry passengers, and they are so connected with the Depot, that in case the "car-boat" should be in the slip, railroad passengers can take either boat without exposure to the weather.

IMPROVEMENTS ON THE MAIN LINE.

The circuitous route by the Centre street bridge at Newark, and the curves there and at the Canal bridge, are still continued, as the main line of the Road; the proposed bridge and direct route by the way of Commercial Dock being still the subject of judicial advisement. The questions involved were elaborately argued in the March Term of the U. S. Circuit Court, and the decision will doubtless be not long delayed.

The transportation of coal from Elizabeth to Newark has already been carried on to a considerable extent, favorably affecting the price at all seasons and insuring a sufficient supply in the winter. A number of tracks leading into coal yards and other lateral tracks have been laid down, and more are desired within the limits of the Railroad location of sixty-six feet purchased from and ceded by the landholders to the Company when they first opened and graded the Avenue.

The construction of the tracks referred to are now much needed, not only to accommodate the increasing coal business on the tracks of the present gauge, but also to furnish those of six feet width, in order to continue the connection of trains with the Central and Lackawanna Railroads, and thus transport coal, produce and passengers direct from Scranton and other parts of Pennsylvania and New Jersey on the line of and in connection with these roads.

At Elizabeth the Company have considerable real estate eligibly situated, where it is proposed at some future time to erect engine and car houses. The plan and location of a freight house long desired at Rahway, for protecting the cars while loading and unloading carriages and other freight, have been determined on, and the building is now in course of erection not far from the present station and store house.

COMPARATIVE NUMBER OF PASSENGERS CARRIED ON RAILROADS.

A minute and elaborate report of the Railroad Statistics of the United States was made to Congress by the Secretary of the Treasury in December last, showing the whole amount of mileage of passengers carried over the Railroads of the country, compiled from the annual statements furnished by each Company. By this report it appears that the passenger business of the New Jersey Railroad was much greater, in proportion to its length,

than on any other road in the United States—the equivalent number of passengers carried one mile being 30,830,604, or nearly one million for every mile of our Road; while the corresponding statistics of the New York Consolidated Central Railroad, which shows the largest number of any work, is 160,052,341 passengers carried one mile, averaging less than three hundred thousand for each mile. The surprise at the annunciation of this authenticated fact is removed, when the frequent and well filled trains running on our Road almost at all hours are taken into account, now numbering daily 56 between Newark and New York, 31 to and from Elizabeth, 26 to and from Rahway, and 16 to and from New Brunswick, besides a number of extra and occasional trips. The active use of the Road is thus apparent, and considering the immense number of persons with whom the Conductors are brought into contact, it is gratifying that so few personal difficulties occur—affording happy testimony of their harmonious intercourse. It gives pleasure also to state, that the deportment of Commuters most generally is in prompt conformity with the rules expressed in the receipt as the terms of the commutation contract, the propriety of which was illustrated and enforced by a communication to Commuters in July last.

COMMUTATION SYSTEM IMPROVED.

Since the new system of furnishing ferry passes on showing the commutation ticket has been adopted, the Conductors find less difficulty in ascertaining the right of each passenger to ride, and fewer frauds are practised. We regret to state that a number have been detected using old and obsolete tickets with altered dates, or those belonging to others, and have thus forfeited their right of renewal, though the large majority appreciate the rules and cheerfully conform to them. That our Stockholders and the public may more fully understand the nature of the Commutation system and its rules, with their operation, the Board have directed a reprint of the communication made in July last, which is annexed and marked (Appendix F.)

DIVIDENDS OF THE NEW JERSEY RAILROAD DURING 25 YEARS.

On a former occasion we reviewed the physical obstacles, the legal impediments, and the financial embarrassments which obstructed the early prosecution of our work, and the slow and gradual manner in which they were surmounted. While encountering many formidable impediments, and enduring repeated discouragements, in its progress to its present stable and prosperous position, it is proper to remark that those who commenced with the enterprise by making the first subscriptions to the stock, have not yet received the average income on ordinary loans of seven per cent. per annum. It is perhaps well, in many respects, that the days of darkness and adversity should pass into oblivion, but still the light of example and the

experience of the past is valuable a landmark and a beacon to guide and instruct in future undertakings.

We can congratulate ourselves that we have escaped the wreck which has befallen many others.

INVESTMENTS IN RAILROADS GENERALLY.

A memoir of the last quarter of a century would require many chapters to narrate the disasters and desolations of Railroad enterprises. In no other financial investments has there been such signal unproductiveness, with a shrinkage of capital amounting often to annihilation. That the value of property and the vast and varied interests of mankind have been extensively advanced, is an undoubted and consolatory fact, but much of it has been attained through individual embarrassment and ruin. So that in the main, investments in projected Railroads have proved a financial failure—remunerating returns being the exception and unproductiveness or scanty nett earnings the general rule. The twelve hundred millions of dollars which have been absorbed by Railroads in this country have not paid one per cent. per annum, which is without a parallel in any legitimate employment of capital. In our State but three or four independent Railroad Companies of long existence have survived liquidation or absorption, though there are some which have been revived with the loss of the whole or nearly all their original cost, and several whose construction and operations have been sustained by the independent Railroads referred to. Satisfactory as are the revenues of our Road at present, we are prone to forget its days of destitution and small income, and can hardly realize that our first Stockholders have not yet, even with extra dividends, received seven per cent. per annum.

INCOME FROM THE NEW JERSEY RAILROAD.

Several years were employed in construction before the work could be made available, though in our case, having no other competition than the stages on the old turnpikes and the steamboats by their circuitous route, we were enabled several years before the completion of our Road, by the use of horse power over Bergen Hill, to make our Road partially productive. Some income was therefore received comparatively early, though nothing was received by Stockholders for the first three years, and in eleven years but three per cent. per annum; after which the dividends gradually advanced, until now they are semi-annually five per cent. The following table of all the dividends, computed with reference to the first investment, shows the income per annum from the commencement of the Company to the present period, viz.:

TABLE SHOWING THE TOTAL DIVIDENDS OF THE NEW JERSEY RAILROAD FROM YEAR TO YEAR, AND THE AVERAGE PER CENT. PER ANNUM FROM 1832 TO 1857.

YEARS.		Whole income on each \$100.	Average dividend per annum.	
First	3 years	No income.	None.	
"	11 "	\$33 on each \$100.	3 1	per cent. per ann.
"	12 "	39 " "	3 1-4	" "
"	13 "	45 " "	3 6-13	" "
"	14 "	51 1-2 " "	3 9-14	" "
"	15 "	58 1-2 " "	3 13-14	" "
"	16 "	66 " "	4 2-16	" "
"	17 "	74 " "	4 6-17	" "
"	18 "	82 " "	4 10-18	" "
"	16 "	91 " "	4 15-19	" "
"	20 "	101 " "	5 1-20	" "
"	21 "	111 " "	5 6-21	" "
"	22 "	121 " "	5 11-22	" "
"	23 "	131 " "	5 16-23	" "
"	24 "	141 " "	5 21-25	" "
"	25 "	151 " "	6 1 25	" "
Add extra divid's		20		
In the whole 25 yrs.		\$171 " "	6 21-25	" "

Less than seven per cent per annum for twenty-five years.

It is proper to remark that such of the present Stockholders who purchased during the long period when the stock was below par, rating from 55 and 60 to 70 and 80, have received a larger income, having been more favored by making their investment after the early difficulties had been surmounted.

ORIGINAL DESIGN OF THE NEW JERSEY RAILROAD.

But a more important function is devolved on the New Jersey Railroad and Transportation Company than a mere monied institution, whose whole end is attained by the acquisition of good dividends. Its chief object was to secure the great route of travel to the most populous portions of New Jersey, which had been diverted from our principal cities and towns, and place them again on the highway of the nation.

How successfully this has been attained, let the growth and prosperity of the localities on the line and the statistics of the Road testify.

The population of the counties traversed by the Road have in the last twenty-five years increased three-fold, and that of some of the cities and towns quadrupled, while other parts of the State, not favored with like facilities, have remained nearly stationary.

CONCLUDING REMARKS.

We could recall many reminiscences of deep interest, and dwell on incidents of most striking character, connected with our work during the

twenty-five years now closed ; but we forbear. We will leave them for the contemplation of our cotemporaries, who have noted the important events affecting our institution and its administration during the now lengthened period of its existence. The ravages of time have removed from us a number of our useful and beloved associates, but many still remain, faithful and true to the patriotic purposes which originated our work, who nurtured it in its feeble infancy, and rejoice with us now in its vigorous maturity. Notwithstanding the mutability of all things human, the march of improvement is still steadily onward. Our enterprise was designed for no evanescent purpose ;—its object and aim are identified with the true and enduring interests and welfare of the community, and while receiving public patronage it reciprocates with cheerful alacrity its accommodations and benefits. Thus has the community around us and our institution gone hand in hand, growing with the growth and strengthening with the strength of each other, during the last quarter of a century, and by the substantial expansion and prosperity of the past, giving assured promise of its continued advancement.

All which is respectfully submitted.

By order of the Board,

JOHN P. JACKSON,

Vice President and Superintendent.

Rahway, June 4, 1857.

(APPENDIX A.)

ANNUAL REPORT

Of the New Jersey Railroad and Transportation Company, to the Legislature of New Jersey, for the year 1856.

In obedience to the Act passed February 24th, 1852, entitled "An Act respecting annual reports to the Legislature of Railroads and other Companies," the New Jersey Railroad and Transportation Company presents the following Report:

January 1st, 1857.

Capital Stock	\$3,435,000 00	
Funded Debt, (including \$85,000, the cost of the property and privileges purchased of the Jersey associates.)	743,000 00	
Profit and Loss, being surplus earnings expended in the construction of the road and in payment of the property stated below	\$207,796 30	
Less paid for relaying the road with new rail.....	11,200 00	
		196,596 30
Dividend, 1st January, payable 2nd February.....		174,247 50
		<u>\$4,598,833 80</u>

COST OF RAILROAD AND EQUIPMENTS.

For graduation and masonry, bridges, superstructure, iron, passenger and freight stations, buildings and fixtures engine and car houses, work shops, machinery and fixtures, engineering, land, and land damages.....	\$3,278,992 26
Locomotives, Tenders and Snow Plows.....	131,847 34
Cars—Passenger, Freight and Baggage.....	146,540 63

PROPERTY, VIZ :

Bridge, Ferry, Turnpike and other Stocks, Real Estate, Ferry Boats, privileges and fixtures, (including the property and privileges purchased of the Jersey associates for \$ 85,000 00).....	\$963,733 09
Cash in Bank and cash items on demand.....	117,920 48
	<u>\$1,081,653 57</u>
	<u>\$4,598,833 80</u>

RECEIPTS AND EXPENSES FOR THE YEAR 1856.

RECEIPTS.

From passengers.....	\$665,316 41
" Freight	87,060 56
" U. S. Mail, Rents, Express Freight and other sources.....	158,260 64
	<u>\$910,637 61</u>

EXPENSES.

Maintaining Railroad, bridges and buildings.....	\$74,037 09
Repairs of locomotives, cars and machinery.....	53,988 31
Fuel—cost and labor in preparing.....	64 60 13
Operating the road and transporting passengers and freight.....	198,584 29
Office expenses, salaries and contingencies	9,547 07
	<u>\$400,715 89</u>
	<u>\$501,921 72</u>
Interest on bonds.....	42,635 00
Transit duty on passengers and freight.....	16,134 88
Tax on capital stock	17,425 00
Dividends in cash, August and February.....	348,470 00
Profit and Loss, to surplus earnings.....	88,257 84
	<u>\$509,921 72</u>

OPERATIONS OF THE COMPANY DURING THE YEAR 1856.

The number of passengers and tons of Goods, Wares and Merchandize transported over the New Jersey Railroad during the year 1856.

PASSENGERS.

Passing over the whole line of the road.....	305,293
“ between Jersey City and Newark.....	1,141,603
“ “ “ “ Elizabeth.....	115,873½
“ “ “ “ Rahway.....	69,580
“ “ “ “ Uniontown and Metuchin.....	9,618
“ “ “ “ New Brunswick.....	88,805½
“ “ all intermediate places.....	548,140½
Total, two million, two hundred and seventy-eight thousand, nine hundred, thirteen and one half, (not including commuters and free passengers)	2,278,913½

GOODS, WARES AND MERCHANDIZE.

Passing over the whole line of the road.....(tons)	1,894½
“ between Jersey City and Newark.....	33,524
“ “ “ “ Elizabeth.....	2,414½
“ “ “ “ Rahway.....	5,014
“ “ “ “ New Brunswick.....	13,285
“ “ all intermediate places.....	12,556
Total, sixty-eight thousand six hundred and eighty-eight tons.....	68,688
Number of miles run by passenger, freight and other trains.....	407,632

OFFICE NEW JERSEY RAILROAD CO., }
January 26, 1857. }

JOHN S. DARCY, *President.*

H. J. SOUTHMAYD, *Treasurer.*

J. P. JACKSON, *Vice President.*

F. WOLCOTT JACKSON, *Secretary.*

N. B.—No injuries to any person in the cars.

(APPENDIX B.)

RECEIPTS OF THE RAILROAD.

January, February, March and April.

	1856.	1857.
Wry Lines, Passengers.....	\$92,824 57	\$96,388 81
Freight, Elizabeth, Rahway and New Brunswick.....	19,087 65	18,593 42
do Newark.....	13,773 69	13,808 60
Commutations.....	15,090 61	15,368 75
Miscellaneous.....	4,483 24	4,464 82
Philadelphia lines.....	60,044 69	65,276 23
New York & Erie.....	12,189 96	12,500 97
Morris & Essex R. R. Co.....	5,716 85	6,208 07
Trenton freight.....	4,967 90	5 915 41
Gain, 4 months, \$11 336 25.	227,189 16	238,925 41

Happily for the experiment, the phantom is dispelled, and experience has

demonstrated the fact that the engine can do as much or perform as well as any other of similar capacity.

The Phoenix has been running almost exclusively on the Philadelphia mail and express trains, alternately with the Gov. Pennington.

Those familiar with the practical operation of the road are well aware that these trains are much the heaviest, and are required to run considerably faster than the way trains, and consequently for the distance run require more fuel.

The following facts will probably be sufficient to illustrate the difference in the number of cars, as between Philadelphia and local trains, though it is not based upon sufficiently extended data to exhibit a perfectly correct comparison.

COMPARATIVE SIZE OF TRAINS.

Philadelphia.

34 trips to and from New Brunswick on the 8 and 11 A. M. and 4 and 6 P. M. Philadelphia trains, averaged 8 28-100 cars each.

Local.

20 trips on the 12 M. train averaged 8 30-100 cars.

37 trips to and from Rahway averaged 4 56-100 cars.

31 trips to and from Newark averaged 6 51-100 cars.

NUMBER OF CARS AND RUNNING TIME.

11 trips on the 8 A. M. line to New Brunswick, 30 1-2 miles, with an average of 9 cars, the average running time, including stops, (generally 3) was 1 hour 9 minutes.

10 trips on the 11 A. M. line to New Brunswick, with an average of 7 36-100 cars, the average running time was 1 hour 12 minutes.

10 trips on 6 P. M. line to New Brunswick, with an average of 8 1-10 cars, the running time (invariably stopping 3 times) was 1 hour 6 minutes.

It may be well to state the fact that through Jersey City, Bergen Hill, Newark, Elizabeth City, Rahway, and over three long bridges, the speed of the trains is materially reduced, requiring greatly accelerated speed between stations to make the time.

The present engineer and fireman, before taking charge of the Phoenix had no experience in the use of coal, and have had no difficulty (though it requires more watchfulness) in procuring all the steam they needed. The trips are now made daily with the 11 A. M. and 6 P. M. Philadelphia trains, in 1 hour 10 minutes, and as much less as circumstances occasionally require.

Although the boiler of the Phoenix, as has been more particularly stated in previous communications, was very imperfectly constructed, I consider the *performance* of the engine highly satisfactory, and have no doubt that

the new one, now being built, with such improvements as our experience with this has suggested, will prove a valuable accession to the motive power of the road, and more fully demonstrate the economy of coal as a fuel for locomotives.

Very respectfully submitted.

J. VAN RENNELAER,

Executive Assistant.

(APPENDIX E.)

NEW JERSEY R. R. & TRANS. CO.

RAILROAD COMMUTATION.

In accordance with the notice accompanying the commutation tickets and the terms of the tickets themselves, issued since the 1st August, 1855, they will not entitle the holder to pass over the Ferry on and after the 1st of August next; but ferry-tickets to go and return, one trip each way, can be obtained on application by the commuter to the conductor in the cars on the way to Jersey City, on showing him the commutation ticket. These ferry tickets the ferry-master will receive from the commuter, on his showing the commutation ticket, if required.

This regulation has for a long time been deemed indispensable to protect the Ferry from the passage over it of a large number of persons without any right, who pretend to be commuters, and who watch the opportunity of crossing the ferry at the times when the trains containing a great many of the commuters arrive at and depart from the Ferry.

This system will prevent imposition by persons pretending to be commuters, and will doubtless be readily complied with by that class of passengers a large majority of whom have appreciated the terms of the contract, embodied in the commutation receipt, and have cheerfully conformed to its obligation, and while enjoying for themselves have yielded to the Company the reciprocal rights secured to each party by the commutation privilege.

The great increase of commuters since the system was commenced, and the facilities it affords renders it desirable to provide such security against its abuse as will ensure its continuance. At its inception in 1839, there were but three commuters, paying \$120 a year in advance, for the use of the railroad alone, and \$15 additional for the Ferry. Its design, then, was to accommodate heads of families doing business in New York, who desired to purchase or rent a residence in New Jersey, and the term, in all cases, was for the entire year.

In subsequent years the number of commuters gradually increased, all persons, married or single, old as well as recent residents of the State, availing themselves of the privilege, as they found it to their advantage. In 1840, half yearly commutations were arranged, but with some hesitation, being deemed a departure from the original design of inducing annual residents in New Jersey. The argument urged for the half yearly ticket was, that some commuters who resided in New Jersey were required to spend about half a year at the South, or elsewhere; it was, however, conceded that it was proper that there should be a greater proportion of charge for a half year. Quarterly commutations were granted for reasons of convenience and advantage to the commuters, rather than to the Company, for persons desiring merely a temporary sojourn in New Jersey, or a temporary use of the railroad; a larger proportionate price, in this case also, being deemed reasonable and just.

The commutation money has always been payable in advance, with a stipulation that no return of money should be claimed on account of inability to use the privilege. This fact was constantly referred to by commuters as an argument for reducing the charge, it being urged that the amount thus forfeited should induce the reduction of the annual sum. This and other considerations influenced the Board to make various reductions, which has resulted in the present reduced annual charges for commutation, viz: from New York to Newark \$50, or 8 cents a trip; to Elizabeth \$55, or 9 cents a trip; to Rahway \$60, or 10 cents a trip; to New Brunswick \$65, or 11 cents a trip, for annual commutation. Half yearly commutation \$35; quarterly \$20 for adults. Minors have the privilege of quarterly commutations at one-fourth the annual rates from each place. Commutations in all cases commence with the first day of the month. The number of commuters has greatly increased since the reduced charges, nearly one thousand persons now obtaining tickets during a year, instead of the few for the first several years. The conductors can no longer distinguish the commuters, and it has become indispensable to adopt more safeguards, as many persons were known to be riding without any right whatever, and some, after passing themselves off for a year, had the effrontery to boast of it in their congenial circles. Persons who had been commuters had continued on after their privilege had ceased, for a number of months, and in one instance for a year and a half before he was discovered, though riding with the oldest conductor. It is due to him, however, to say, that on demand being made he promptly and honorably made restitution, by paying for the whole time in arrear—a most remarkable fact, and nearly the only instance among the large number who have been similarly apprised of like delinquencies.

Frauds of the foregoing character, and others of more recent date, have been so frequent and various, as by their continuance to confirm, in the

opinion of the Board, the absolute necessity of the commuters furnishing the conductor with the evidence, afforded by the commutation ticket, each trip—not from apprehension of fraud by a large majority of the present commuters, but that they, by their example, may prevent the imposition of others less scrupulous: thus requiring no greater sacrifice or submission to a uniform rule, than is frequently demanded by the laws of a well ordered community for protecting the rights and interests of the honest from the devices and fraudulent conduct of the depraved.

That the propriety and necessity of this course may be more obvious, a few of the cases of frauds of recent occurrence will be referred to.

FIRST: The detected tickets show that many commuters passed on their tickets a considerable time after they had expired, without renewing or intending to renew them, and only in some two or three cases has an offer been made to make restitution when detected.

SECOND: The loaning and hiring of tickets, so that two or more persons were enabled to use the same ticket. This has been carried to such an extent as to have led parties engaged in it to believe that they had a right so to do, and legal opinions have been gravely asked, whether there was any wrong in so doing—although the commutation receipt expressly stipulates that the ticket is to be used *only* by the person whose name is written on it.

THIRD: Professing to have lost their ticket soon after its purchase, and a duplicate being by a former practice issued, both the original and duplicate are used by different persons.

FOURTH: Riding repeatedly on the same ticket more than one trip a day each way, and endeavoring to shun the conductor with whom they had previously rode.

FIFTH: Altering the dates of the tickets, both of the time of issuing and expiring, so as to prolong the period. These cases are numerous, and involve persons of high respectability. They are flagrant, though in some cases very skilful forgeries, one altering the month on which the ticket expired, by erasing the true month, and printing apparently with similar type a later month; another converting 1855 to 1856 so perfectly, as to be detected only by the color of the ticket, which now varies every month—all of which detections were made in consequence of the conductors having the right to see the ticket each trip.

The Company have been urged, by commuters and others, to expose and punish the perpetrators of these frauds and forgeries, but they have thus far done no more than decline the renewal of commutation in such cases. They will not, however, withhold the names from any legal tribunal disposed to punish these offences, and will promptly appear with the names, documents and dates before any Grand Jury who may be disposed to investigate these offences.

The Board cannot doubt that the favorable terms and privileges enjoyed by commuters, will prompt them to a ready conformity with the regulation to take effect on the 1st of August next, which is deemed indispensable to the protection of the Company. The ordinary traveller is not only compelled to buy his ticket for from 20 to 50 cents each trip, but to deliver his ticket to the conductor, and the ferry-check to the ferry-master, while the commuter rides for 8 to 11 cents a trip, and is relieved from the loss of time and trouble of purchasing his ticket each trip. Surely, then, the commuter should cheerfully comply with his own contract, and show his ticket each trip, and whenever required.

In view of the foregoing facts, a ready conformity to the regulation to take effect on the 1st of August next, whereby the privilege of passing the ferry is secured, is confidently anticipated with the continuance of the commutation system to the mutual satisfaction of the parties interested.

By order of the Board,

JOHN S. DARCY,

President of N. J. R. R. & Trans. Co.

Newark, July 28, 1856.

PROCEEDINGS OF THE ANNUAL MEETING.

RAHWAY, June 4, 1857.

A meeting of the Stockholders of the New Jersey Railroad and Transportation Company, held this day at the Mansion House, Rahway, was organized by the appointment of Col. J. W. SCOTT, of New Brunswick, as Chairman, Hon. DANIEL B. RYALL, of Monmouth County, and Dr. JOHN B. JOHNES, of Morristown, Vice Chairmen, JOHN KEAN, of Elizabeth, and HENRY J. SOUTHMAYD, of Jersey City, Secretaries.

The minutes of the last annual meeting were read and approved.

On motion, a Committee, consisting of NATHAN THORP, E. Y. ROGERS, IRA CAMPBELL and FRANCIS LABAU were appointed to organize the social entertainment.

The following named gentlemen were appointed Inspectors: ADAM LEE, CHARLES S. MACKNET, NATHAN THORP, JOHN W. STOUT and JACOB VAN ARSDALE.

The General Superintendent, JOHN P. JACKSON, Esq., presented to the meeting the Annual Report of the Directors, which being read, on motion was referred to a Committee of five to report further action to the meeting.

Whereupon MESSRS. JABEZ G. GOBLE, J. W. STOUT, SAMUEL MEEKER, JOHN BLACK and JAS. S. LAWRENCE were appointed.

REPORT.

The Committee to whom was referred the Annual Report of the Directors, respectfully report the following resolutions, which were unanimously adopted:

Resolved, That the Stockholders cordially approve of the Report which has been made to day of the operations of the Company during the past year, and that we believe that the present prosperity and high standing of the Company is necessarily owing to the able and efficient management.

Resolved, That we hail with much satisfaction the 25th anniversary of our Company, and deem it a cause of devout thankfulness that nearly 25,000,000 of passengers have been carried over our Road during its existence without injury to life or limb.

Resolved, That the Stockholders approve of the experiments made to promote economy in the use of fuel, and that coal-burning engines be recommended to be used on the Road as soon as their improvement renders them fully practicable.

Resolved, That we commend the wise forecast of the Directors of the Company in their judicious and extensive purchase of real estate before the improvement of our works was made, and which now constitute so valuable a portion of our property.

Resolved, That the comprehensive improvements for enlarging the accommodations of the Railroad and Ferry at Jersey City meet with our entire approbation; and we advise their prosecution to completion with as much expedition as is consistent with the best interest of the Company.

Resolved, That the marked approbation of the Stockholders is hereby given to the agents, conductors and operatives of the Company, whose unwearied devotion and vigilance have so greatly promoted the safety and prosperity of the operations of the Company the past year.

Resolved, That the Stockholders believe that complimentary franks have been a serious evil, and approve the policy of the Directors in restricting the same.

The Inspectors reported the following named gentlemen as duly elected Directors for the ensuing year: JOHN S. DARCY, STEPHEN WHITNEY, HAMILTON FISH, HERRY R. REMSEN, DUDLEY S. GREGORY, JOHN P. JACKSON, JOHN J. CHETWOOD, A. O. ZABRISKIE, JOHN ACKEN.

On motion, adjourned.

COL. J. W. SCOTT, *Chairman*.

DANIEL B. RYALL, }
JOHN B. JOHNES, } Vice Chairmen.

JOHN KEAN, }
H. J. SOUTHMAYD, } Secretaries.

